

The Strategy for Marketing Korean Films  
within the German Film Market:  
A Study of the Korean Film, <OLD BOY>

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## 1. Introduction

Generally speaking, the German people can be said to exhibit conservative tendencies when it comes to their consumption habits. This conservative outlook has directly or indirectly influenced Germans' cultural proclivities as well, including the kinds of films they prefer. Moreover, this conservative mindset has brought about a phenomenon in which long periods of time are required before new cultures can make inroads into the German cultural mainstream. However, another aspect of this conservative mindset that has been uncovered is that once Germans allow an outside culture to seep into their own, they display a tendency to cultivate and even further develop their relationship with that external culture.

This report analyzes Germans' film preferences, their reaction to Korean films, as well as the marketing strategies employed by Korean film distributors. In particular, this report focuses on Park Chan-wook's <Old Boy>, a film which gained prominence within European film markets as a result of its winning of the Grand Prix at the 2004 Cannes Film Festival. Moreover, this report also delves into the outlook for Korean films in terms of potential success at the German box office. To do so, a review of the status of the Korean films that have already been distributed in the German film market is undertaken, as is German audiences' reactions to these films.

Basic tools such as the Internet, existing film policy related data, and the reaction of the German media to Korean films, in the form of reviews that appeared between October 2004 and January 2005, were employed to conduct this research. Information collected during interviews with members of the media, distribution companies, theater owners, and film related specialists was also incorporated into the report. The results of this research were then used to develop measures to help strengthen the standing of Korean films within the German film market. The measures developed included those dealing with the identification of means to solidify the market for Korean films, as well as those related to the determination of a desirable direction for efforts to further develop the market for such films.

Be that as it may, a wide range of strategies will be needed to improve the perception of Korean films among Western European moviegoers', whose cultures vary greatly from that of Korea's. What's more, a consistent advertising campaign will also be needed to forge the nucleus

of moviegoers required to sustain the growth of Korean films within these markets.

## 2. The Status and Sales of Asian Films within the German Film Market

The German film market is quite large as it covers not only Germany proper, but also includes the Germanic nations of Austria and Switzerland. The fierce competition for a foothold in this market is evidenced by the fact that 436 films were released here in 2004, up 82 from the previous year. Under such circumstances, films other than those made in Germany with the support of the German government, or those made in Hollywood and backed by large amounts of capital, have the odds stacked against them when it comes to achieving success in the German film market.

Nevertheless, various foreign films have indeed been introduced into the German film market. Let us now look at the country of origin of the foreign films that have screened in German movie theaters. Table 2-1, which lists the number of films released in Germany by various countries from 1994 to 2003, provides a glimpse of what nations' films have been able to obtain a sustained presence in the German market and of the changes in German audiences' film preferences during this period.

Table 2-1) Films released in Germany during the period spanning from 1994 to 2003

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
United States	132	135	151	135	146	132	165	144	123	135
Germany	60	63	64	61	50	74	75	83	84	80
Egypt	–	–	–	–	–	1	–	1	–	–
Argentina	1	–	–	1	2	2	–	–	5	4
Australia	4	2	3	2	4	3	6	2	5	1
Belgium	1	1	1	–	–	–	3	1	1	–
Bosnia and Herzegovina	–	–	–	–	–	1	–	–	–	1
Brazil	–	–	–	1	1	–	1	2	2	2
Czech Republic	–	–	–	2	1	–	2	1	2	1
Denmark	2	2	7	1	2	4	2	1	6	6
Finland	1	–	1	–	–	3	1	–	–	–

France	19	13	18	21	19	25	34	27	27	21
England	18	13	14	24	18	30	21	10	15	10
Greece	–	1	–	–	–	2	1	1	–	–
<b>Hong Kong</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>7</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>–</b>	<b>2</b>
India	–	1	–	–	–	–	–	–	1	2
Iran	–	1	–	–	2	6	2	4	1	4
Ireland	–	–	–	2	2	1	5	3	1	–
Italy	3	4	3	3	5	6	4	4	2	6
Israel	2	–	–	–	–	–	–	3	–	2
<b>Japan</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>16</b>	<b>6</b>	<b>10</b>
Canada	1	5	6	4	4	6	7	3	3	6
Kazakhstan	–	–	–	–	–	1	1	–	–	–
Cuba	1	–	–	1	–	–	1	–	–	–
<b>Morocco</b>	–	–	–	–	–	1	–	–	1	–
Mexico	–	1	–	–	–	–	–	1	–	1
New Zealand	–	2	1	1	–	–	1	–	–	1
Netherlands	1	1	4	1	3	3	4	–	4	–
Norway	–	1	1	2	1	1	1	1	1	–
Austria	1	3	5	3	3	4	4	6	3	1
Portugal	2	–	–	1	–	1	–	–	–	–
Sweden	5	2	2	3	2	2	4	4	2	4
Switzerland	–	–	–	2	–	1	4	–	2	–
Slovakia	–	–	1	–	–	1	–	–	–	–
Spain	3	1	2	–	4	1	4	4	7	3
Republic of South Africa	–	1	–	–	–	–	–	–	1	–
<b>Korea</b>	–	–	–	–	–	<b>1</b>	–	–	<b>3</b>	–
<b>Taiwan</b>	<b>1</b>	–	–	–	–	–	–	<b>1</b>	–	–
Tunisia	–	–	–	1	–	–	–	1	–	–
Turkey	–	–	–	1	–	3	3	7	6	6
Russia	–	3	–	1	–	1	3	–	–	–
Hungary	–	–	–	–	–	–	2	–	–	2
<b>China</b>	–	<b>1</b>	–	–	<b>1</b>	<b>2</b>	<b>3</b>	–	<b>5</b>	<b>2</b>

\* Countries that only released one film during this period were exempt from the table

Source: SPIO

Although Hong Kong films continue to enjoy a higher degree of recognition than other Asian cinemas, a closer look at the data reveals that Japan has been the Asian nation that has distributed the largest number of films in Germany over the last decade. In addition, a wider variety of Asian films, including Korean, Chinese, and Indian films, have been recently released in Germany. Distributors and theater owners alike have attempted to entice moviegoers by focusing on films that introduce exotic cultures unlike any of those found in Europe.

German moviegoers enjoy kung fu films such as those starring Bruce Lee or Jackie Chan; 'artistic' Taiwanese/Hong Kong films such as Ang Lee's <Eat Drink Man Woman> (1994) and Wong Kar-wai's <Chungking Express>(1994); Chinese films such as Ang Lee's <Crouching Tiger Hidden Dragon> (2000) and Zhang Yimou's <Hero> (2004) that showcase the splendid colors and incredible scenery of the Chinese mainland; Japanese animated films, to which German teenagers have been introduced through comic books and computer games, and the films of Takeshi Kitano, whose works have been widely acclaimed by arthouse film fans from the mid-90's onwards.<sup>1</sup> In addition, Indian films have come to be regarded as another kind of exotic cinema that because of its musical aspect is unlike the cultural works produced in East Asia. While two Thai films, <My Girl> and <Ong-bak>, were released here in 2004, other Asian countries have been unable to have more than one of their films screened during this period.<sup>2</sup>

Japanese films were tops amongst Asian films in 2004 not only in terms of the number of artistic works distributed, but also with regards to the number of directly produced or co-produced films that were imported into the German market. All in all, eight Japanese films, three of which were co-produced with other countries, were screened in German movie theaters in 2004. These Japanese films were distributed by the local German distributor, Rapid Eye Movies: a company that has been able to achieve significant success within the highly competitive niche market over

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<sup>1</sup> The high artistic value of Akira Kurosawa's films has resulted in some Japanese films coming to be regarded as classics by German film specialists.

<sup>2</sup> With regards to the present state of the Thai film industry, please refer to *Korean Film Observatory*, November 2004, pp.11-12

the last few years by introducing high-quality artistic and animated films produced in Japan and Hong Kong.<sup>3</sup>

Stephan Holl, the managing director of Rapid Eye Movies, has stated that the higher degree of familiarity which German moviegoers feel with Japanese animated films compared to other genres, because of their exposure to computer games and manga, has resulted in the DVD market for this particular genre becoming quite brisk. Holl also expressed his belief that given the success enjoyed by animated films such as Hayao Miyazaki's <Spirited Away> at the box office, the likelihood of other Asian animated films also doing well in Germany was quite high.<sup>4</sup>

One of the films distributed during the 2004 summer season that made use of such synergy effects was the Japanese animated film <Yu-Gi-Oh>. The characters of this film distributed by Warner Brothers were well-known to German moviegoers already exposed to computer games and Manga versions. However, Japanese animated films are widely perceived as having a harder time gaining a foothold in the German film market than in other markets. Stephan Holl has argued that this situation has come about as a result of the fact that the worldwide distribution of Japanese animated films has been for the most part entrusted to U.S. distributors. Although the copyrights for the distribution of such Japanese animated films overseas are owned by major U.S. distributors, the latter either fail to properly market the animated films produced by countries other than the U.S., or intentionally delay or hold back the distribution to major world markets of animated films which might compete with their own national output.<sup>5</sup>

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<sup>3</sup> Rapid Eye Movies (R.E.M), which was founded in 1996, has mainly focused on the distribution of Asian films to German movie theaters and the subsequent release of these films on DVD. R.E.M received an award from the Federal Government Commissioner for Cultural and Media (Beauftragte der Bundesregierung für Kultur und Medien: BKM) in 2001 for having contributed to the promotion of diversity within the German film culture through its introduction of fresh and visionary films.

<sup>4</sup> Refer to the contents of the interview conducted on the ARTE channel.

[www.arte-tv.com/Printing/4982,CmC=718290,CmStyle=265436.html](http://www.arte-tv.com/Printing/4982,CmC=718290,CmStyle=265436.html)

<sup>5</sup> *ibid.*



Amid all of this, Korean films have been as yet unable to acquire a uniqueness through which German audiences can differentiate them from other Asian films. This reality has in large part been the result of the fact that Korean films were for long either not screened in German theaters or screened only once every few years. Although Pegasus released Bae Yong-kyun's <Why Has Bodhi-Dharma Left for the East?> (1989), a film that received the Golden Lion award at the Locarno International Film Festival, in Germany during the 1980's, Korean films failed to raise eyebrows within the German film market until Park Chan-wook's <JSA: Joint Security Area> and Kim Ki-duk's <The Isle> were released by Rapid Eye Movies in 2001.<sup>6</sup> While both of these films, which were screened for about a week in non-commercial arthouse cinemas and dealt with subjects unfamiliar to the German people, fared rather poorly at the box office, their release provided an opportunity for German cinephiles and film specialists to gain awareness of Korean films.

The success of award-winning directors such as Park Chan-wook, who won the Grand Prix at the 2004 Cannes Film Festival for <Old Boy>, and Kim Ki-duk, who won the best director award at both the 2004 Berlin and Venice International Film Festivals for his films <Samaritan Girl> (2004) and <3-Iron> (2004), have greatly helped to invigorate the dissemination of Korean films within the German film market. Building on the momentum provided by these accomplishments, four films, namely Kim Ki-duk's <Spring, Summer, Fall, Winter...and Spring> (2003), and <Samaritan Girl> (2003), Park Chan-wook's <Old Boy> (2003), and Lee Kwang-hoon's <The Legend of the Evil Lake> (2003) were screened in German theaters in 2004.

The success of the above-mentioned film distributors' use of niche markets has resulted in several distribution companies specializing in the distribution of Asian films beginning to appear within the German market. Nevertheless, German distributors have remained for the most part unwilling to take big risks when it comes to the purchase of Asian films for the following reasons: first, the probability of scoring a big hit continues to

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<sup>6</sup> Interview with Winfried Günther of the German Film Museum in Frankfurt

be remote as there are only a limited number of moviegoers who prefer Asian films. Second, the possibility of recouping the original investment within a short time frame is greatly reduced by the fact that Asian films are usually screened in arthouse cinemas.

Table 2-2) Asian films introduced in the German film market in 2004

Film	First run	Country	Distributor	RATING
Lost in Translation	01/08/2004	Japan/U.S.A.	Constantin	6 and over
OSAMA	01/15/2004	Afghanistan/ Japan/Ireland	Delphi	12 and over
Blessing Bell	03/04/2004	Japan	R.E.M.	12 and over
Shaolin Kickers	03/11/2004	Hong Kong	Buena Vista	12 and over
A Snake of June	03/11/2004	Japan	R.E.M.	16 and over
Spring, Summer, Fall, Winter...and Spring	03/18/2004	Korea/Germany	Pandora	12 and over
Aragami	04/29/2004	Japan	R.E.M.	16 and over
2LDK	05/13/2004	Japan	R.E.M.	/
South of the Clouds	05/27/2004	China	Freunde der deutschen Kinemathek	/
Power and Terror: Noam Chomsky in Our Times	06/30/2004	Japan/U.S.A.	Neue Visionen	/
Zatoichi – Der blinde Samurai	06/24/2004	Japan	Condorde	16 and over
Indian Love Story – Kal Ho Naa Ho	07/08/2004	India	R.E.M.	6 and over
My Girl	08/26/2004	Thailand	Freunde der deutschen Kinemathek	/
Yu-Gi-Oh	08/26/2004	Japan	Warner Bros.	/
Old Boy	09/02/2004	Korea	3L Filmverleih/Central	/
Samaritan Girl	12/09/2004	Korea	R.E.M.	16 and over
Ong-Bak	12/16/2004	Thailand	3L Filmverleih/Central	16 and over
The Legend of the Evil Lake	12/30/ 2004	Korea	3L Filmverleih/Central	16 and over

Source) reediting the data from the SPIO

Truth be told, the German people still perceive Asia as a mysterious and unknown region. As a result, films that combine oriental themes and mindsets that German moviegoers can grasp with splendid natural sceneries and visual effects that make use of strong colors have fared well at the box office. In this regard, the success of Zhang Yimou's <Hero>, Takeshi Kitano's <Dolls>, and Kim Ki-duk's <Spring, Summer, Fall, Winter...and Spring> in the German film market has proven that Asian films can indeed attract large numbers of moviegoers.

### **3. Present State of Korean Film Sales**

#### **3.1. General perception of Korean culture**

Korean culture is still for the most part perceived within German society as not possessing any particularly unique attributes worthy of special attention. While in the past, Germans' perceptions of Korea were by and large based on the Korean restaurants found in large cities, the nurses and miners who immigrated to Germany during Korea's economic development period, and Korean exchange students, the 2002 Korea-Japan World Cup proved to be a decisive opportunity to change these impressions of Korea. The vibrant nature of the Red Devils and the good manners exhibited by Korean fans were widely reported on during the broadcast of soccer matches. Such scenes made a deep impression on the German people who are scheduled to host the next FIFA World Cup. The German press reported on the Korean fans' passion and their faultless manners on a daily basis. Thus, the 2002 FIFA World Cup helped change the image of Korea from that of a static nation locked in an ideological war that was suffering from the effects of the financial crisis of 1997 to that of a vibrant and dynamic country.

German society as a whole's increasingly positive perception of Korean electronics and automobile makers as the producers of high quality goods has been accompanied by a growing interest among young German intellectuals and teenagers in Korean culture in the form of Korean films, an interest that has the makings of a new cult culture. This budding

fascination with Korean culture can be understood as having been partly spawned by the familiarity of German teenagers with Japanese culture that has emerged as a result of their easy access to translated versions of Japanese comic books as well as to Japanese computer games and animated films.

### 3.2. Distribution within the German language zone

The distribution of Korean films to the German market should not be understood to refer solely to Germany. Rather, the release of a Korean film in the German market usually involves a German distributor's securing of the copyrights for that particular film not only in Germany, but in Austria and the German-speaking parts of Switzerland as well. Although the conditions attached to the securing of the distribution rights for a film inevitably vary from case to case, rights agreements for films imported from Korea usually include the distribution rights for these three countries.<sup>7</sup> Furthermore, as Austrian and Swiss moviegoers exhibit a tendency to favor high quality artistic films and are perceived as being comparatively easier to attract than their German counterparts, these two regions are of vital importance to German distributors, and this despite the fact that the scale of their markets is rather small.

While the rights for a film are usually sold in such regional blocks, local distributors generally wind up acquiring the theatrical, home entertainment, or TV broadcasting rights to a particular film. As artistic films screened in theaters for the most part eventually air on TV, broadcasting rights have come to be seen as an additional window through which sales can be increased. There have been instances where Korean films such as <301, 302> that were directly released on DVD/VHS have been aired on TV. Such cases in which a film is not released in theaters are usually the result of the distributor's passive marketing of the film in question, or of its failure to find any theater in which to release the film. However, there have been some examples of foreign films that were originally released on video and

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<sup>7</sup> In the case of <Spring, Summer, Fall, Winter...and Spring>, Bavaria Film International, the company responsible for the distribution of the film in Europe, gave the copyrights for Germany and Austria to Pandora Film and those for Switzerland to another distributor.

DVD subsequently being screened in theaters. A pertinent example of this phenomenon is Takeshi Kitano's films, which were originally released on video, but were a few years later released in theaters where they even achieved some measure of success at the box office as a result of the positive buzz surrounding them.<sup>8</sup>

The increase in the sales of the rights for Korean films in the German film market that has occurred since 2000 has resulted in gradually rising profits stemming from the sale of such films. Rights sales for Korean films on particular have markedly increased since 2002. All in all, it is believed that the rights for 12 Korean films were sold within the German market in 2002; and those for another 14 in 2003. This translates into more than \$1.3 million in sales within the German film market.

The situation remained much the same in 2004, according to data collected by the Korean Film Commission (KOFIC) during the first half of 2004 (January–June), Korean film sales within the German market reached 1.53 million dollars in sales, an amount comparable to the 1.59 million dollars in sales achieved in the United States, and a 67% increase from the previous year's sales in Germany. This rapid growth in the sale of Korean films infers that the strongly conservative-oriented German public in terms of its film preferences has rapidly embraced Korean films.

Figure 3–1) Figure 3–1) Number of Korean films whose copyrights have been sold in the German market

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<sup>8</sup> Interview with Winfried Günther of the Frankfurt Film Museum.

Source: KOFIC

위 그림 내용:

독일판매건수 → Number of Korean films sold to German market

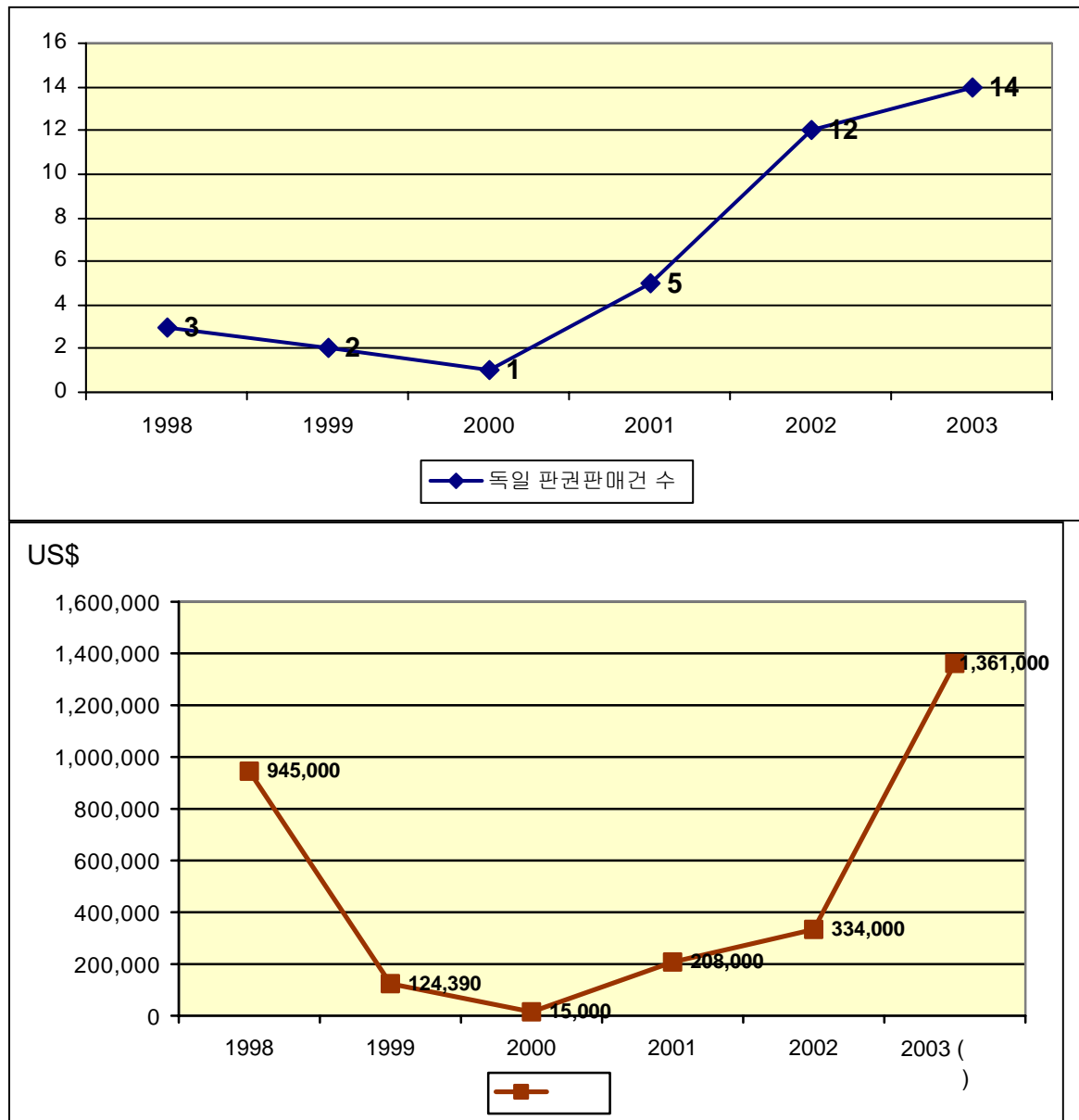


Figure 3-2) Revenues garnered by the Korean films released within the German market from 1998-2003

Source: KOFIC

위그림 내용:

총액→ Total amount

잠정치 → Provisional estimate

### 3.3. Other Korean films besides <Old Boy> released within the German film market

The Korean films distributed in the German market have been classified, along with the films imported from Japan, China, and Taiwan, as belonging to the Asian film category. A greater number of Japanese and Hong Kong films have been released in German theaters than Korean films. To date, the following Korean films have been released in theaters or introduced in the German film market: <Why Has Bodhi-Dharma Left for the East?>, <Bad Guy>, <The Isle>, <JSA: Joint Security Area>, <Spring, Summer, Fall, Winter... and Spring>, <Samaritan Girl>, <Old Boy>, and <The Legend of the Evil Lake>.

German distributors such as Pegasus, Rapid Eye Movies, and Pandora Film Production, which specialize in the distribution of artistic films, have been the most prominent distributors of Korean films within the German market. In 2004, E-M-S New Media Group began to purchase the rights to Korean films, which distributor 3L Filmverleih, a company specializing in the release of films in multiplexes, assumed the responsibility for distributing.

The success obtained at European international film festivals in 2004 has facilitated Korean films' entrance into the German market. In addition to the films screened as part of the Korean Film Festivals or Asian Film Festivals held in big cities, four Korean films were released by local distributors in German movie theaters in 2004: Kim Ki-duk's <Spring, Summer, Fall, Winter... and Spring> and <Samaritan Girl>; Park Chan-wook's <Old Boy>; and Lee Kwang-ho's <The Legend of the Evil Lake>. In the next section of this report, the box office results and reactions of the media and general public to <JSA: Joint Security Area>, which was released in 2002, and to the Korean films released in 2004 will be analyzed.

### 3.3.1. <JSA: Joint Security Area>

Park Chan-wook's <JSA: Joint Security Area>, which was released in German theaters on July 4, 2002 by Cologne-based Rapid Eye Movies, was well received by German media outlets. Spiegel-Online commented that <JSA: Joint Security Area> represented a "poetic description of the philosophical stirrings of peace taking place on the demilitarized zone that serves as the official divide between North and South Korea." For its part, Kulturzeit, a cultural program aired by the 3SAT/ZDF broadcasting company, held that the film "made playful use of humor and irony to expose the irrationality of the Cold War."<sup>9</sup> This film was not only released on DVD after its run in theaters, but was also eventually aired on television. Rapid Eye Movies has also distributed Kim Ki-duk's <Samaritan Girl> and <The Isle>. The distribution of <Samaritan Girl> will be dealt with in the next section.

### 3.3.2. <Spring, Summer, Fall, Winter... and Spring>

LJ Film co-produced the 2002 film <Spring, Summer, Fall, Winter... and Spring> with Germany's Pandora Film Production, a company that for the most part produces artistic films. While the international rights for this film are sold by Korea's Cineclick Asia, Bavaria Film International handled the rights for Europe, Canada, and South America.<sup>10</sup> <Spring, Summer, Fall, Winter... and Spring> became the most successful Korean film ever screened in Germany. Pandora Film Production invested 400,000 euros or about 30% of the total production costs for this film, which have been estimated at 1.2 million dollars. However, their investment included the 175,000 euros provided by the Hamburg Film Fund (FilmFoerderung Hamburg GmbH) in 2002 as a film production fund. As such film production funds are usually provided under the condition that a director, scriptwriter, or production company from that particular area be actively involved in the production of the film in question, Pandora Film Production

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<sup>9</sup> [www.rapideyemovies.de/movies/joint-security-area/index.php](http://www.rapideyemovies.de/movies/joint-security-area/index.php)

<sup>10</sup> Bavaria Film International is a branch of Germany's Bavaria Film Group.



oversaw the post-production of <Spring, Summer, Fall, Winter... and Spring> in Hamburg.<sup>11</sup>

<Spring, Summer, Fall, Winter... and Spring> was first introduced in May 2003 at the Locarno and Toronto International Film Festivals, and received high praise from the German media when it was screened during the Hamburg Film Festival. Once the post-production process, including the editing and audio dubbing, was completed, the film was released in German theaters on March 18, 2004.<sup>12</sup> 50 copies of this film were originally screened in arthouse cinemas. Raimond Goebel argues that while screening films in arthouse cinemas all but eliminates the possibility of earning significant revenues in a short period of time, this method is not without its merits, as films screened in such theaters run for anywhere between one to three years.

<Spring, Summer, Fall, Winter... and Spring> was co-distributed by the companies responsible for the European, Canadian, and South American distribution of the film; Bavaria Film International and Pandora Film Production. Cineclick Asia handled the film's distribution rights for all other regions (the Asian region including Korea, and the U.S.A.). Thorsten Schaumann, who is in charge of Bavaria Film International's Asian Film Division, revealed that his company had acquired the distribution rights for <Spring, Summer, Fall, Winter... and Spring> in about 30 countries and had subsequently sold the rights to the film in all these countries.<sup>13</sup>

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<sup>11</sup> Interview conducted with Raimond Goebel of Pandora Film Production on December 8, 2004. The company responsible for the post-production of <Spring, Summer, Fall, Winter... and Spring> was Atlantic Postproduktion of Hamburg.

<sup>12</sup> While the international version of this film was about 12 minutes shorter than the Korean one, the original version of the film was eventually screened in Europe as well.

<sup>13</sup> It is significant that <Spring, Summer, Fall, Winter... and Spring> was the first Asian film that Bavaria Film International chose to distribute. The company is preparing to distribute a Chinese film entitled <Mongolian Pingpong> that is expected to be screened during the 2005 Berlin International Film Festival.

While the distributors' share of the provision for this particular film is 20% of total revenues, LJ Film of Korea managed to secure 70% of the remaining 80% for itself, with the other 30% of this total going to the co-producer Pandora Film Production. <Spring, Summer, Fall, Winter... and Spring> is known to have earned 400,000 euros in revenues in the German zone, 70,000 of which was returned to the distributors.<sup>14</sup> A look at admissions in Germany and in the major European nations reveals that since the beginning of December 2004 some 200,000 moviegoers in Germany, 250,000 in France, and 180,000 in England have paid to see <Spring, Summer, Fall, Winter... and Spring>. In addition, a significant number of people, 65,000 to be exact, also went to see the film in Switzerland, a country whose citizens' interest in artistic films is well documented. In fact, a larger proportion of the Swiss population went to see this film than that of any other country. As Kim Ki-duk's works are usually low budget affairs, and the securing of a local film fund seriously alleviated the burden in terms of production costs, Pandora Film Production's actual investment in this film was not particularly large. Nevertheless, the company is expected to earn in excess of 100,000 euros with this film from the German zone alone.

Pandora Film Production will in May 2005 begin to distribute Kim Ki-duk's <3-Iron> in Germany and Austria, a film for which he received the Best Director Award at the 2004 Venice International Film Festival. In this case however, the distribution rights for Switzerland have been granted to another distributor. As artistic films are very popular with the Swiss, the securing of the distribution rights for such films in Switzerland can have a marked influence on the overall revenues which a distributor can expect to earn from a film.

The fact that <Spring, Summer, Fall, Winter... and Spring>, the first film to be co-produced with a German company, achieved some success at the box office can only heighten the possibility for future co-productions between Korea and Germany. In this regard, Pandora Film Production is already planning to co-produce another one of Kim Ki-duk's films. This

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<sup>14</sup> Please refer to the interview conducted with Raimond Goebel of Pandora Film Production.

new film, whose working title is <Yuri>, will be shot on location in Europe sometime in 2005 and will deal with the issue of overseas adoptions.<sup>15</sup>

### 3.3.3. <Samaritan Girl>

Rapid Eye Movies distributed <Samaritan Girl> in the German language zone, which covers Germany, Austria, and Switzerland. This film, which won the Silver Bear award at the 2004 Berlin International Film Festival, was released in Germany on December 9, 2004. Although featuring a director in Kim Ki-duk that was considered by many in Germany to be a rising star, this film has failed to meet expectations at the box office. Stephan Holl has argued that this situation was in large part due to the fierce competition for moviegoers that emerged as a result of the large number of films, 34 in all, that were released in the German market in December 2004. In addition, he maintains that the nature of <Samaritan Girl> prompted it to be screened in arthouse cinemas, venues in which, as mentioned above, securing significant revenues in a short period of time is all but impossible. This illustrates one of the limitations of artistic films: even though a film receives high praise from the media, it will be hard pressed to attract moviegoers if it deals with complex subject matter. The minimum guarantee for <Samaritan Girl> was 30,000 euros and the TV rights for the film were purchased by the commercial broadcasting company with the highest ratings in Germany: RTL.

The theaters which have already screened or are currently screening <Samaritan Girl> as of February 16, 2005 are the following:

Table 3-1) Screens exhibiting the film <Samaritan Girl>

Region	Theater	Screening period
Berlin	Hackesche Höfe	09.12.2004 – 19.01.2005
Bielefeld	Lichtwerk	13.01.2005 – 26.01.2005
Bochum	Endstation	27.01.2005 – 09.02.2005
Bremen	Cinema Ostertor	27.01.2005 – 02.02.2005
Chemnitz	Voxxx	10.02.2005 – 16.02.2005
Dortmund	Roxy Kino	10.02.2005 – 16.02.2005

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<sup>15</sup> Refer to the interview conducted with Raimond Goebel of Pandora Film Production.

Dresden	KiD	06.01.2005 – 19.01.2005
Essen	Galerie Cinema	13.01.2005 – 19.01.2005
Flensburg	51 Stufen	10.02.2005 – 16.02.2005
Freiburg	Kommunales Kino	17.02.2005 – 23.02.2005
Halle	Lux	03.02.2005 – 09.02.2005
Heidelberg	Gloria	03.02.2005 – 09.02.2005
Hemsbach	Brennessel Kino	21.01.2005 – 26.01.2005
Herrsching	Kino Breitwand	10.02.2005 – 16.02.2005
Jena	Kino im Schillerhof	03.02.2005 – 09.02.2005
Kassel	Filmladen	17.02.2005 – 23.02.2005
Kiel	Traumkino	24.02.2005 – 28.02.2005
Kirchberg	Kino Klappe	17.02.2005 – 02.03.2005
Landshut	Kinoptikum	12.02.2005 – 14.02.2005
Lehrte	Das andere Kino	17.02.2005 – 23.02.2005
Lich	Traumstern	13.01.2005 – 19.01.2005
Mannheim	Odeon	20.01.2005 – 26.01.2005
Marburg	Cafe Trauma	03.02.2005 – 09.02.2005
Mühlheim	Rio	20.01.2005 – 26.01.2005
München	Forum am Deutschen Museum *	09.12.2004 – 19.01.2005
Münster	Cinema	06.01.2005 – 19.01.2005
Nürnberg	Filmhaus	24.02.2005 – 09.03.2005
Passau	Scharfrichter Kinos	27.01.2005 – 01.02.2005
Quedlinburg	Studiokino	24.02.2005 – 01.02.2005
Saarbrücken	Filmhaus	24.02.2005 – 02.03.2005
Weilheim	Starlight	17.02.2005 – 23.02.2005
Weimar	Lichthaus	20.01.2005 – 02.02.2005
Weingarten	Linse	24.02.2005 – 02.03.2005
Zwickau	Casablanca	28.02.2005 – 28.02.2005

\* Screened on an irregular basis.

Source: [www.rapideyemovies.de](http://www.rapideyemovies.de)

### 3.3.4. <The Legend of the Evil Lake>

The distribution rights for Hanmac Film's 2003 release <The Legend of the Evil Lake> in Germany, Austria, and the German language areas of

Switzerland were purchased by the Dortmund based company 3L Filmverleih. 20 copies of this film were released on December 30, 2004. According to estimates released in January 2005, this film, which came in 37<sup>th</sup> at the box office during its first week in release, had drawn approximately 11,468 people by the middle of January. This estimate did not factor in the audiences that attended the special sneak previews hosted by theater owners. Overall, 50,000 people are estimated to have attended this movie.<sup>16</sup> Moreover, this film has yet to be released in Austria.<sup>17</sup>

Unlike <Ong-Bak>, a Thai film released by the same distributor on December 16, 2004 that by mid-January had already drawn 70,000 moviegoers, <The Legend of the Evil Lake> got off to a slow start at the box office. However, truth be told, 110 copies of <Ong-Bak> were released in theaters. Andreas Thim of 3L-Filmverleih has stated that a large number of copies of <Ong-Bak> were released in multiplexes because it was believed that this film possessed mainstream appeal as well as the kind of entertainment value usually associated with the kung fu films produced in Hong Kong. The box office results of <The Legend of the Evil Lake> do not appear to be as bleak when we consider the fact that four times more copies of <Ong-Bak> than of <The Legend of the Evil Lake> were released prior to the Christmas holidays. The calculation of the overall revenues garnered by <The Legend of the Evil Lake> will have to wait until DVD sales and the revenues from the sale of the TV rights can be factored in. The 2nd largest broadcasting company in Germany ZDF has bought the TV rights to this film, which is set to be released on DVD on April 7, 2005.<sup>18</sup>

Various methods can be employed to distribute a film within a particular market. However, the most desirable order in which a film should be distributed begins with its release in theaters, followed by its release on video/DVD, where it can be either sold or rented, and finally its broadcast on TV (cable broadcasting, and terrestrial television broadcasting). Thus,

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<sup>16</sup> Telephone interview conducted with Herbert Kallrus.

<sup>17</sup> Interview with Inka Hoppe of E-M-S New Media's Acquisitions Department.

<sup>18</sup> Films can be aired on TV 18 months after they have been released in theaters.

the potential revenues which distributors can earn from a film have increased as a result of the wide range of sales windows that have emerged. Of course, the length of the period in which each sales window is open is another important variable when it comes to the calculation of potential revenues.

However, the distributors of Korean films, which have as of yet been unable to appeal to large segments of the moviegoing public, should arm themselves with a long-term plan that is based on the screening of these films in arthouse cinemas in order to reach the break-even point. Of course, there can be no denying that as a result of a film failing to attract the number of moviegoers originally expected, the return on investment (ROI) has been in several instances lower than what was anticipated by the distributor. As a result, distributors have shown a natural tendency to prefer distributing films that possess entertainment value and appeal to the public over those with artistic value.

In order to curb such practices, Germany has provided, as part of its film promotion policy, film distribution funds to high quality films produced both domestically and internationally. In fact, Stephan Holl, the managing director of Rapid Eye Movies, a company that in 1998 began to distribute Asian films within the German market, particularly Japanese ones, revealed in an interview that distributors that did not receive film funding from the state of Nordrhein-Westfalen found themselves hard pressed to stay afloat.<sup>19</sup>

#### **4. Research on the Marketing of <Old Boy> within the German Film Market**

##### **4.1. Reaction of the German media to the film, <Old Boy>**

Director Park Chan-wook's reception of the "Grand Prix of the Jury" at the 2004 Cannes International Film Festival for <Old Boy> created an opportunity to introduce another Korean director's films to a German film industry that had already shown interest in Kim Ki-duk's films. While Park

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<sup>19</sup> Telephone interview conducted with Stephan Holl on January 28, 2005

Chan-wook had made a previous foray into the German film market with the release of his film <JSA: Joint Security Area> in 2002, the critical success of <Old Boy> further bolstered his reputation within that particular market.

It is hard to find any German media outlets which did not in one way or another make mention of <Old Boy> in 2004. High praise was heaped on the film by the daily Frankfurter Allgemeine Zeitung, the weekly Die Zeit and Der Spiegel magazines, as well as by many other public and commercial broadcasting companies. In addition, the renowned German film magazine Film-Dienst selected <Old Boy> as one of the best films of 2004, along with the other Korean films <Spring, Summer, Fall, Winter... and Spring> and <Samaritan Girl>.<sup>20</sup>

<Old Boy> has been identified as the premiere film of the year on film-related Internet sites. These sites have been perceived as the opinion leaders in forging general film preferences as a result of their role as an important source of information for youth and moviegoers alike, and of their function as a conduit for communication between these groups.<sup>21</sup> Carsten Baumgardt, one of those who commented on <Old Boy> on such a site, evaluated the film as being a cut ahead in terms of the genre, and praised its outstanding acting, extraordinary scenes, and realistic storyline, while also pointing out the fact that Park's film does not hesitate to portray scenes of cruelty that go well beyond the average European's imagination. He went on to comment that, "not everyone can enjoy <Old Boy> because it is a very dark film that exhibits a type of violence unlike anything seen in Quentin Tarantino's epic revenge film <Kill Bill 1>." Baumgardt finished off his review by stating, "any movie fan that likes Asian films will love this film."

Nevertheless, as film magazines, media outlets, and Internet websites usually display the opinions of people who like this particular film genre or

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<sup>20</sup> <http://film-dienst.kim-info.de/>

<sup>21</sup> Please refer to [www.filmstart.de/kritiken/Oldboy.html](http://www.filmstart.de/kritiken/Oldboy.html);  
[www.filmszene.de/kino/oldboy.html](http://www.filmszene.de/kino/oldboy.html); [www.critic.de](http://www.critic.de)

of Asian film buffs, such commentaries as the one presented above cannot be considered to reflect the general opinion of <Old Boy>. Thus, the reaction of common moviegoers to <Old Boy> can serve as an important tool with which to identify the general preferences of regular German moviegoers.

In order to develop a better understanding of these viewing preferences, a screening of <Old Boy> and a subsequent discussion of the film was conducted with students from the University of Muenster. The discussion group consisted of 4 male and 4 female students between the ages of 19 and 32. The group was composed of 7 Germans and 1 American.<sup>22</sup>

When asked if they had heard about <Old Boy> prior to this screening, 4 participants answered that they had heard about the film; with three answering that they had heard some things about the film and the other claiming to have heard a lot about it. The other 4 people in the group had never previously heard about the film. When asked whether they had any intention of watching the film again, 6 people answered that they had no intention of doing so, 1 answered that it would depend on the circumstances, and 1 person chose not to answer.

With regards to their impression of the film, one of the women participants answered that she felt that it was a very good movie and that she had expected to see more sadistic scenes. However, two other of the women stated that they felt that the film was horrifying. Meanwhile, the last female participant answered that this kind of film belonged to a genre that she did not particularly care for. For their part, the male participants answered that they felt that the film was too cruel and that there were some scenes that made them feel uncomfortable. In addition, some of the participants claimed that the film was too long, while others felt that the story was too complicated.

These opinions prove that Korean emotions, which are regarded as belonging to a strange Asian culture, have yet to be fully accepted by

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<sup>22</sup> This discussion was carried out on February 15, 2005.



German moviegoers. This problem can be seen as being closely linked to the fact that although the media highly praised <Old Boy>, the film did not perform as well at the box office as expected. One important thing that should be taken away from all of this however is that the media's coverage of this film may very well have a positive impact on the popularity of Park Chan-wook's other films here, or even lead to more widespread interest in the Korean film industry and Korean society and culture in general. Therefore, the synergy effects created by a particular film can be seen as providing a golden opportunity to promote the general perception of Korea. Korean films are gradually being introduced to the German public; it will however take some more time before this interest translates into success at the box office.

#### 사진 부분입니다

A view of the E-M-S New Media Group's headquarters.

The group's headquarters are located in Dortmund in the northwest of Germany. Several of the group's subsidiaries are also housed in this building. ©choi

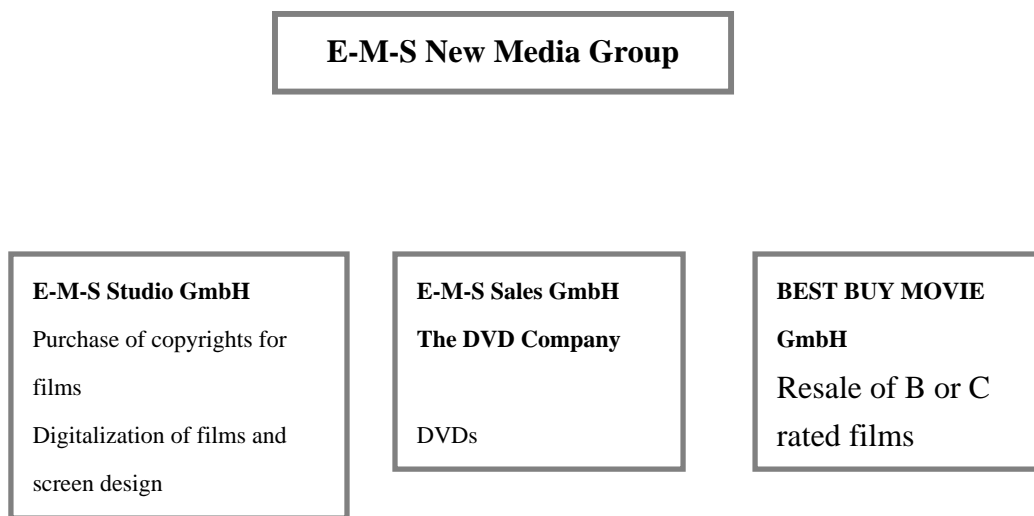
#### 4.2. <Old Boy>'s distributor, 3L Filmverleih and its parent company, E-M-S New Media Group

To this point, Korean films in Germany have been purchased by distributors mainly specializing in the distribution of artistic films. However, as international film markets, which have long paid close attention to the development of the Korean film industry, have begun to recognize the potential of Korean films, distributors specializing in the distribution of commercial films have also gained an interest in these films.

A perfect example of this is the company that distributed <Old Boy> within the German language zone: 3L Filmverleih. 3L Filmverleih, which was founded in the spring of 2004, burst onto the German film scene with its successful distribution of the film which won in the best actress category

at the 76th Annual Academy Awards held in 2004, <Monster>.<sup>23</sup> The chairman of 3L Filmverleih Werner Wirsing has gone on record as saying that the company has plans to distribute 15–20 films a year within the German film market.<sup>24</sup> Moreover, he has also said that 6 of these 15–20 films would be Asian ones. The reason why 3L Filmverleih can afford to make plans to distribute so many films is closely related to its status as a subsidiary of the E–M–S New Media Group, a company whose own position has been solidified by its status as a major player in a DVD market that has grown by leaps and bounds since the group’s inception in 1997. As such, this company is on a more solid financial footing than those distributors who mainly specialize in the distribution of artistic films.<sup>25</sup>

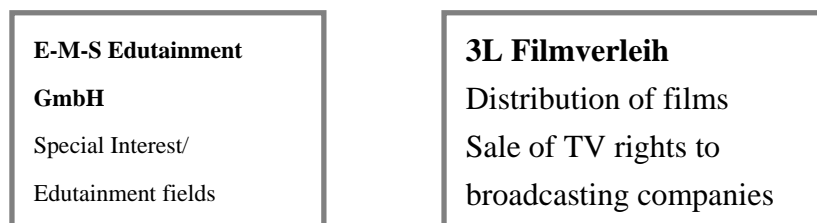
Figure 4–1) E–M–S New Media Group’s Organigram



<sup>23</sup> <Monster> starring Charlize Theron was released in Germany on April 15, 2004. According to data compiled in October 2004, some 300,000 people in Germany and 60,000 people in Austria went to see this movie. The official website of <Monster> in Germany is [www.monster-derfilm.de](http://www.monster-derfilm.de)

<sup>24</sup> Please refer to the interview conducted by Blickpunkt Film, a film magazine, with Werner Wirsing on October 27, 2004. [www.blickpunkt.de](http://www.blickpunkt.de)

<sup>25</sup> The E–M–S New Media Group earned a total of 21 million euros in revenues from home entertainment, broadcasting license contracts, and film rentals in 2004. What’s more, the group plans to increase its sales by 30% in 2005.



The E-M-S group has concentrated its activities on the home entertainment field, i.e. the home video, special interest/ edutainment, and game and music fields. More to the point, it has focused on the purchase of rights for films, the digitalization of films, and the production and distribution of DVDs. However, over the last few years, it has extended the scope of its activities to include the distribution of films in theaters and the sale of TV rights to broadcasting companies. The E-M-S New Media Group's subsidiaries consist of E-M-S Studio GmbH, E-M-S Sales GmbH, The DVD Company, BEST BUY MOVIE GmbH, and E-M-S Edutainment GmbH. Presently, the group owns the rights to about 900 films. These rights include the home video, DVD, and VHS sales rights, and in some cases, the rental as well as the theatrical and TV distribution rights.<sup>26</sup>

The E-M-S group has so far mainly distributed or sold films within the German film market classified as belonging to the lower echelons of the B-movie category. However, the group plans to use the establishment of 3L Filmverleih to begin distributing upper-tier B-movies.<sup>27</sup> The group currently distributes European and North American films as well as Asian ones.

Although they dabble in melodramas and animated films, the E-M-S group has mainly purchased the rights to horror, action, thriller, and

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<sup>26</sup> Corporate Report (November 17, 2000), [www.e-m-s.de](http://www.e-m-s.de)

<sup>27</sup> Please refer to the above interview.

fantasy films. The Asian films purchased by the E-M-S group are usually distributed and sold under the brand name, "Cine Magic Asia". The group has purchased Korean, Japanese, and Hong Kong films, and recently added Thai films.<sup>28</sup> These films mainly consist of suspense laden thrill-filled horror films, as well as fantasy and action films. These genres have been favored because of their popularity in the sphere in which the E-M-S group has focused its energy: the DVD market. Any film that is released in theaters which manages to draw the interest of moviegoers and the media while also doing well at the box office can expect to bring in big revenues as it moves down the distribution line.<sup>29</sup>

Decisions concerning the films to be acquired are for the most part made by the chairman of the E-M-S group Werner Wirsing and Jürgen Hellwig of the branch office in Los Angeles; meanwhile Inka Hoppe manages the company's administrative affairs.<sup>30</sup> Jürgen Hellwig was for over 20 years employed by the head office of SAT.1, Kirch Media, which is a German commercial broadcasting company, and is very well known amongst those working for public/commercial broadcasting companies in Germany. His responsibilities at the E-M-S group are to purchase films and to oversee the sale of their broadcasting rights. Therefore, Jürgen Hellwig's move to the E-M-S group can be regarded as having provided the group with more opportunities to connect itself to existing networks, as well as to increase the number of windows through which it can sell the Asian films it has purchased within the German broadcasting market.

The Austrian-born director of 3L Filmverleih Andreas Thim worked for Austria's Constantin Film for 20 years. As a result, 3L Filmverleih possesses a close relationship with the Austrian film distribution line. However, viewed differently, the company has as of yet been unable to

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<sup>28</sup> The website for this brand is [www.e-m-s.de/cinemagicasia](http://www.e-m-s.de/cinemagicasia) or [www.cinemagicasia.de](http://www.cinemagicasia.de)

<sup>29</sup> Here the distribution line (Filmverwertungskette) refers to the entire film distribution process. The ideal film distribution chain is theater-DVD-pay per view-pay per channel-free TV.

<sup>30</sup> The E-M-S group established a branch office in Los Angeles on February 1, 2004. [www.e-m-s.de](http://www.e-m-s.de)

forge the kind of close links with the German film distribution line that it enjoys with the Austrian distribution line.

Table 4-1) Asian films presently being distributed by Cine Magic Asia (on DVD and in theatrical release)

Film	Country, year of production, rating	Genre
2009: Lost Memories	Korea, 2002, 16 and over	Fantasy
A Chinese Ghost Story	Hong Kong, 1987, 16 and over	Fantasy
A Chinese Ghost Story II	Hong Kong, 1990, 16 and over	Fantasy
A Chinese Ghost Story III	Hong Kong, 1991, 16 and over	Fantasy
Color of Truth	Hong Kong, 2003, 16 and over	Action
Conman in Tokyo	Hong Kong, 2000, 16 and over	Action
Flying Dagger	Hong Kong, 1993, 16 and over	Action
Full Time Killer	Hong Kong, 2001, restricted	Action
Ghost in Love	Korea, 1999, 16 and over	Fantasy
Inner Senses	Hong Kong, 2002, 16 and over	Horror
Inugami	Japan, 2001, 16 and over	Horror
Into the Mirror	Korea, 2003, 16 and over	Horror
Isola	Japan, 2000, 16 and over	Horror
Keizoku	Japan, 2000, 16 and over	Horror
Killer Tattoo	Thailand, 2001, restricted	Action
The Legend of the Evil Lake	Korea, 2003, 16 and over	Horror-Fantasy
Memento Mori	Korea, 1999, 16 and over	Horror
Old Boy	Korea, 2003, 16 and over	Horror
Ong-Bak	Thailand, 2004, 16 and over	Action
Persona	Japan, 2000, 16 and over	Thriller
Ring	Japan, 1998, 16 and over	Horror
Ring-2	Japan, 1998, 16 and over	Horror
Ring 0	Japan, 2000, 16 and over	Horror
Ring – Spiral	Japan, 1998, 16 and over	Horror
Running out of Time 2	Hong Kong, 2001, 16 and over	Thriller
Say Yes	Korea, 2001, 16 and over	Horror
School day of the dead	Japan, 2000, 16 and over	Horror
Shikoku	Japan, 1999, 16 and over	Horror
Ginkgo Bed 2	Korea, 2000, 16 and over	Action-Fantasy
The Ginkgo Bed	Korea, 1996, 16 and over	Action-Fantasy
<b>Volcano High</b>	Korea, 2001, 16 and over	Action

Shiri	Korea, 1999, 16 and over	Action
Undiscovered Tomb	Hong Kong, 2002, 16 and over	Action
Wishing Stairs	Korea, 2003, 16 and over	Horror

Source: [www.e-m-s.de/cinemagicasia](http://www.e-m-s.de/cinemagicasia)

Among these films, the Korean films <Old Boy> and <The Legend of the Evil Lake> were released in German theaters in 2004. <Old Boy>, which was released on September 2, 2004, has according to estimates so far drawn 45,000 people in Germany and another 10,000 people in Austria. In the case of <The Legend of the Evil Lake>, released in December 2004, the film has to date drawn 11,800 people in Germany, but has yet to be released in Austria. However, Zweites Deutsches Fernsehen (ZDF) has purchased the TV rights to <The Legend of the Evil Lake> and plans to air sometime in 2005. In addition, Korean films such as <Tae Guk Gi: The Brotherhood of War> and <Silmido> are set to be released in German theaters in 2005.

The following Korean films have already been released on DVD: <2009: Lost Memories>, <The Gingko Bed>, <The Legend of Gingko>, <Into the Mirror>, <Memento Mori>, <Old Boy>, <Say Yes>, <Shiri>, <Volcano High>, and <Wishing Stairs>. Moreover, 3L Filmverleih also possesses the distribution rights to the following Korean films that have yet to be released in theaters: <A Tale of Two Sisters>, <Acacia>, <Fighter In the Wind>, <Friend>, <Musa>, <Silmido>, <Tae Guk Gi: The Brotherhood of War>, <The Way Home>, and <Untold Scandal>. The company also has plans to release the following Korean films on DVD in the future: <Bad Guy>, <Bunshinsaba>, <The Legend of the Evil Lake>, <My Wife is a Gangster>, <My Wife is a Gangster 2>, <R-Point>, <Spider Forest>, <Spirit of Jeet Keun Do>, <Sword In The Moon>, <The Uninvited>, <The Way Home>, and <Wishing Stairs>.<sup>31</sup>

While the E-M-S group already owns the copyrights in the German language zone to the above-mentioned films as well as for recently

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<sup>31</sup> Interview conducted with the E-M-S group's Inka Hoppe, who oversees the company's acquisition of films.

produced and successful Korean action, thriller and horror films, it nevertheless plans to continue to purchase Korean films in the future.<sup>32</sup> In this regard, the group's chairman Werner Wirsing recently stated that the group was looking into the possibility of establishing a branch office in Asia to supplement the one in Los Angeles.<sup>33</sup>

3L Filmverleih's strategy can be understood as being one of carving a niche for itself in the highly competitive film distribution market by introducing Asian films into the German film market through its "Cine Magic Asia" brand. As such, while Rapid Eye Movies has specialized in the distribution of artistic films, 3L Filmverleih has focused on distributing commercial films aimed at regular moviegoers through its "Cine Magic Asia" branch.

#### **4.3. Terms of the distribution rights agreements for <Old Boy>**

The distribution rights for a film are generally separated into theatrical and video distribution rights. In addition, distribution right agreements also sometimes apply to regional blocks as well. When a German distributor purchases a Korean film, the distribution rights for Germany, Austria, and Switzerland, which belong to the German language zone, are usually granted to that distributor. In addition, the German distributor holds the distribution rights for the film for a period of 15 years and is free to decide whether the film should be released in theaters or straight to video. Such terms were also applied in the case of the contract for <Old Boy>. The contract included a clause related to the minimum guarantee for the film and a flat sales price, while the length of the ownership of the distribution rights was set at 15 years.<sup>34</sup>

#### **4.4. 3L Filmverleih's strategy for marketing <Old Boy>**

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<sup>32</sup> Interview conducted with Jürgen Hellwig on February 13, 2005

<sup>33</sup> Please refer to the interview with Blickpunkt Film on October 27, 2004.

<sup>34</sup> Please refer to the interview conducted with Jürgen Hellwig of the E-M-S group.

3L Filmverleih, which was established in April 2004, subcontracted the distribution of <Monster> and <Old Boy> to Berlin-based Central Film Vertrieb GmbH.

The German film distribution system contains two types of operation networks: *verleih* (rentals) and *vertrieb* (sales). The company in charge of 'verleih' oversees the sale of films to which it owns the rights along the distribution line as well as the film rental business. Meanwhile, the company responsible for 'vertrieb' carries out the marketing associated with the distribution of a film. Therefore, the company in charge of 'vertrieb' becomes a sort of agency for the one overseeing 'verleih', which is usually a small-sized company. Thus, when 'verleih' companies or film production companies operating on small-scale budgets want to distribute a film nationwide or globally, they usually entrust the distribution of the film in question to large-scale companies that handle the 'vertrieb'.<sup>35</sup>

While the total P&A costs for <Old Boy> amounted to about 8,000 euros, the basic funds needed for the distribution of the film approximated 320,000 euros. When calculated on a copy basis, the marketing costs associated with the film come out to about 2,500 euros per film copy.<sup>36</sup> A comparison of the number of people who went to see the film in East and West Germany reveals that a greater number saw the movie in the West than in the East. A marketing company in Berlin named 24U Media & Marketing Network oversaw the marketing of <Old Boy>. Marc Hertling, a rep for 24U Media & Marketing Network, stated that his company had been unable to carry out any special promotion activities for <Old Boy> because of a shortage of promotion funds; and as a result, only basic promotion methods had been employed. As such, the marketing strategy for <Old Boy> mostly involved advertising the film on the cover of magazines

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<sup>35</sup> 24U Media & Marketing Network carries out various activities such as film promotion, the production of posters, the establishment of advertisement strategies, trailers, press interviews, and previews. The company also has contracts with distributors other than 3L Filmverleih. This company carried out the marketing and promotion related tasks for <Old Boy>, <The Legend of Evil Lake> and <Monster>. [www.24U-network.de](http://www.24U-network.de)

<sup>36</sup> Interview with Andreas Thim of 3L Filmverleih.



published in various cities, as well as in daily newspapers.<sup>37</sup> With the exception of the theaters in which the film was screened, posters were not used to promote <Old Boy> in urban centers as there was no way of assuring that the posters were in fact being posted on the streets.<sup>38</sup> In addition, the marketing company advertised the film in the period immediately preceding its release during TV programs aired by the Premiere and 13<sup>th</sup> Street pay-TV channels.<sup>39</sup> An Internet site introducing <Old Boy> was also opened. Hertling also claimed that the film would have done better if director Park Chan-wook had gone on a promotional tour of Germany.<sup>40</sup>

While the decision to distribute <Old Boy> in the German film market was made following the film's win at the 57th Cannes International Film Festival, the E-M-S group had secured the rights to the film for the German-language zone prior to the film's success at Cannes. Therefore, <Old Boy>'s release in September 2004 came about as a result of 3L Filmverleih's belief that this film, which had won an award at the 57<sup>th</sup> Cannes International Film Festival would do as well at the German box office as the winning film in the Best Actress category at the 76<sup>th</sup> Academy Awards <Monster> had.<sup>41</sup>

#### **4.5. Mid-term evaluation of the distribution of <Old Boy>**

The majority of the foreign films distributed within the German film market are dubbed in German, as German moviegoers have shown

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<sup>37</sup> Telephone interview conducted with Marc Hertling, rep for 24U Media & Marketing Network.

<sup>38</sup> Telephone interview conducted with Inka Hoppe of the E-M-S groups' Film Acquisition Department

<sup>39</sup> *ibid.*

<sup>40</sup> Marc Hertling said that director Park Chan-wook had a schedule to visit to Germany. However, unfortunately, the schedule was cancelled.

<sup>41</sup> Werner Wirsing/ Andreas Thim Über 3L.2004.10.27 Interview.blickpunkt.de

themselves to be lukewarm at best to subtitled films.<sup>42</sup> A similar situation exists within the DVD market as well.<sup>43</sup> As such, any foreign film distributed in Germany must be dubbed in German. The cost of dubbing a film in German ranges anywhere between 20,000 to 25,000 euros, and this task is usually subcontracted out to Studio Babelsberg in Berlin.<sup>44</sup> As in some cases subtitled foreign films have begun to be screened in arthouse cinemas and multiplexes as part of events, a limited number of subtitled copies of films are also produced. The cost of subtitling a film usually runs in the neighborhood of 4,000 euros.<sup>45</sup>

#### 4.5.1. Present state of <Old Boy> in theaters

96 copies of <Old Boy> were released in theaters nationwide, with 92 of these being dubbed versions while the other 4 were subtitled in German. The dubbing for this film was also subcontracted out to one of the studios in Berlin. More copies of <Old Boy> were released than of any other Korean film ever distributed in the German film market.

From September 2004 to the beginning of December of that same year <Old Boy> appeared on 170 screens in multiplexes and arthouse cinemas situated in German cities with a population of over 40,000 people. Unlike other Korean films, which were solely screened in arthouse cinemas, <Old Boy> was simultaneously released in multiplexes and arthouse cinemas (programm kino). The fact that this particular film was chosen to be the first Korean film ever released in German multiplexes should not be overlooked. More to the point, <Old Boy> was marketed and released with young male

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<sup>42</sup> This trend is different from the one prevalent in the Netherlands, a country that shares a common border with Germany. In the case of the Netherlands, subtitled films are released in theaters and also aired on TV without being dubbed. This stark contrast with Germany can be construed as being related to the differing preferences of the two countries' moviegoers, or as having its origins in the fact that dubbing costs are harder to recover in the smaller Dutch film market.

<sup>43</sup> Interview with Jürgen Hellwig of the E-M-S group

<sup>44</sup> *ibid.*

<sup>45</sup> Interview with the organizer of the Dusseldorf Korean Film Festival Song Young-ku.

moviegoers as its target audience, a group whose preference for action films is well known, and not aimed at those moviegoers who prefer artistic films.

As 3L Filmverleih specializes in the development of strategies to distribute commercial feature films that possess strong entertainment value, it is only natural that <Old Boy> was screened in multiplexes and marketed as an action/thriller rather than as an artistic film. Truth be told, the constant comparisons between Park Chan-wook's <Old Boy> and Quentin Tarantino's <Kill Bill> should not be taken to mean that the marketing of the former somehow fell short, as while <Kill Bill> is an American film directed by Quentin Tarantino, who is well known to German moviegoers, <Old Boy> is a Korean film made by a Korean director who has just started to be recognized by German moviegoers. Although <Old Boy> has been widely regarded as a better film than <Kill Bill>, the two have so far met with different fates in terms of their takes at the box office.

This outcome has largely been the result of the fact that German distributors have to this point mostly specialized in the distribution of artistic films. The demand for copies of artistic films is quite limited and no special marketing strategies are used to promote these films; a situation that in turn is in great part caused by the general lack of funds with which to carry out the promotion of such films. Moreover, as there are only a limited number of moviegoers who go to see arthouse films, the promotion of such films usually consists of word of mouth and media reviews. Furthermore, artistic films are also greatly influenced by local media reviews.

Unlike these artistic film distributors, 3L Filmverleih has focused on distributing films that possess the kind of entertainment value needed to do well in the DVD market, a market in which its parent company, the E-M-S group, has carved out a significant niche for itself. In other words, 3L Filmverleih has more financial resources at its disposal than artistic film distributors. This was the backdrop against which <Old Boy> was simultaneously distributed in multiplexes and arthouse cinemas.

Looking at the box office results of the film for the period of September 2 to October 12, 2004, we find that 12,800 people went to see the movie on the first week. This was good enough for 16<sup>th</sup> place at the box office, which represents the highest ranking achieved by a foreign film, especially a Korean one, within the German market. However, the film slid to 40<sup>th</sup> place by the end of September and to 79<sup>th</sup> place by its 7<sup>th</sup> week in release in the middle of October. This drastic drop has been explained by the fact that by the 4<sup>th</sup> week the film began to gradually move out of multiplexes and into arthouse cinemas.

Moreover, a look at the number of copies of the film that were rented reveals that 95 copies were rented out during the first week, thus indicating that the film opened on 95 screens nationwide. From there, the number of copies rented to theaters began to decrease, down to 20 copies on the 5<sup>th</sup> week and to 9 on the 7<sup>th</sup> week of screening. The number of admissions sold dropped in a manner proportionate to the number of copies of the film rented out. All in all, the film drew only a meager 45,000 people during this period, much lower than what 3L Filmverleih had expected.<sup>46</sup>

Table 4–2) German box office results for <Old Boy> (including weekend box office results)

	Rank	Week	Number of copies	Number of admissions sold during the week	Total
04.09.02 – 04.09.05	16	1	95	12,779	12,779
04.09.09 – 04.09.12	23	2	81	5,504	25,781
04.09.16 – 04.09.19	29	3	50	2,930	32,528
04.09.23 – 04.09.26	40	4	36	1,656	36,730
04.09.30 – 04.10.03	61	5	20	330	38,327
04.10.07 – 04.10.10	72	6	11	150	38,747
04.10.14 – 04.10.17	79	7	09	150	38,957

Source: [www.mediabiz.de](http://www.mediabiz.de)

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<sup>46</sup> Interview with Werner Wirsing.

3L Filmverleih entrusted the job of overseeing the distribution of <Old Boy> within German theaters to Berlin's Central Vertrieb. However, in the case of Austria, 3L Filmverleih directly handled the film's distribution in theaters. <Old Boy> opened in Austria on December 3, 2004 and was mainly screened in urban areas.<sup>47</sup> <Old Boy> opened in 13 theaters, or more to the point, eleven multiplexes and two arthouse cinemas. Two of these 13 theaters screened subtitled copies of the film. By the middle of February 8,243 people had gone to see the film. To date, it has been screened in 30 multiplexes, 6 arthouse cinemas, and one miniplex.<sup>48</sup> The date of the film's first run in Switzerland has yet to be decided.<sup>49</sup>

#### **4.5.2. Trends in the distribution of <Old Boy> on DVD and current sales status**

Generally, a film begins to be sold to DVD rental outlets three months after its release in theaters, and to individuals three months after that. <Old Boy> began to be distributed on DVD on December 23, or three months after its theatrical release. There are approximately 4,000 video and DVD rental stores in Germany, including 500 branches of the World of Video chain. The promotion of films in the DVD market usually consists of providing the head offices of such chains with reviews and promotional materials related to the film in question. In some instances, salespeople from the distribution companies visit individual video stores.

To market the distribution of <Old Boy> on DVD, 750 copies of the disc were produced, 2,000 leaflets were distributed, and the DVD was advertised in film related magazines. The total P&A costs associated with

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<sup>47</sup> While films are usually released on Thursdays in Germany, Friday is the usual release day in Austria.

<sup>48</sup> The term miniplex refers to a theater which has 3–5 screens, that is a medium sized theater that falls somewhere between multiplexes and art house cinemas.

<sup>49</sup> Telephone interview conducted with Ingrid Saalfeld, the director of 3L Filmverleih's Disposition Department.

the distribution of <Old Boy> on DVD were somewhere between 10,000–15,000 euros.<sup>50</sup>

In its first week on DVD release, <Old Boy> managed to finish 20<sup>th</sup>. This start can be regarded as a good one akin to the one it enjoyed with regards to its launch in theaters. The DVD has been sold to video stores for 17–18 euros, which is somewhat higher than the regular price. To this point, it is estimated that about 3,000 video stores have purchased copies of <Old Boy> DVDs since the film began to be distributed in that medium, and that all in all, 15,000 copies have been sold. Such results can be interpreted as more satisfactory than those obtained during the film's theatrical release.<sup>51</sup> The following is a summary of the sales of the <Old Boy> DVD in the rental market.

Table 4–3) Present status of <Old Boy> in the DVD rental market

	Week	Rank	Total number of DVDs bought by rental outlets
The 52 <sup>nd</sup> week of 2004	1	20	22,468
The 53 <sup>rd</sup> week of 2004	2	27	11,638
The first week of 2005	3	33	9,090
The 2 <sup>nd</sup> week of 2005	4	40	8,784
The 3 <sup>rd</sup> week of 2005	5	52	7,010
The 4 <sup>th</sup> week of 2005	6	67	4,899
The 5 <sup>th</sup> week of 2005	7	93	3,911

Source: Herbert Kallrus of the E–M–S New Media Group's DVD Sales Department

The <Old Boy> DVD will begin to be sold to individuals sometime in the spring of 2005. Two different versions of the DVD will be on sale: one is a one DVD set that will sell for 12 euros, while the other is a special edition of the film consisting of two DVDs that will sell for 17.99 euros. Herbert

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<sup>50</sup> Telephone interview conducted with Herbert Kallrus, the director of the E–M–S New Media Group's DVD Sales Department.

<sup>51</sup> *ibid.*

Kallrus, who oversees the E-M-S New Media Group's DVD sales, revealed his satisfaction with the fact that a total of 30,000 DVDs had already been preordered by the middle of February.

Let us now turn to the question of why <Old Boy>, which won the Grand Prix at the 2004 Cannes International Film Festival, failed to do well at the German box office.

The first reason was the lack of promotion of the film. <Monster> starring Charlize Theron, which was released 6 months before <Old Boy> (in April 2004), drew 360,000 people (300,000 in Germany and 60,000 in Austria), and was by all accounts a success at the box office.<sup>52</sup> This success was in large part due to the repeated references during the film's promotion, as a means of gaining the interest of moviegoers, to the fact that the beautiful Charlize Theron, who used to be a model, had been awarded the Best Actress award at the 77<sup>th</sup> Academy Awards for her portrayal of a vicious serial killer in this film.

The holding of special events, which has become a popular fad in German multiplexes, has increasingly been regarded as an effective marketing strategy. This kind of event, in which the public can directly participate, has also been well received by moviegoers as well. However, such events are mainly carried out for Hollywood films due to the tremendous P&A costs attached. This in essence means that it is getting more and more difficult for other films to attract moviegoers.

Such special events are not only staged in multiplexes but also in arthouse cinemas as well. For example, moviegoers' interest in Bollywood films, which incorporate singing and dancing in a manner akin to musicals, is augmented by the staging of special events that feature Indian singing and dancing.<sup>53</sup>

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<sup>52</sup> Ibid.

<sup>53</sup> Choi Eun-hee (2004), *Bollywood Films*, overseas reporter, Korean Film Observatory, November 2004, Korean Film Commission (KOFIC), Seoul, p.22

The second reason for the film's poor showing may be that 3L Filmverleih, which was only recently established, has not established a proper theatrical distribution line in Germany yet. As <Old Boy> was simultaneously distributed in multiplexes and arthouse cinemas, the owners of such establishments, who are in a competitive relationship, may have been unclear as to whether they should screen <Old Boy> or not. Moreover, in small and mid-sized cities, where the number of potential moviegoers is limited, the managers of multiplexes and arthouse cinemas often reach an unwritten agreement that films only be screened in one venue per area.<sup>54</sup>

In addition, films released in multiplexes are much more susceptible to box office results than those released in arthouse cinemas. If a film released in multiplexes does not exhibit any potential for box office success within a short period of time, it is summarily replaced with another film. Furthermore, as word about the potential of a film rapidly spreads, there are few multiplexes down the line which are willing to screen a film that has not shown early potential to do well. The newcomer to the theater distribution business, 3L Filmverleih's, decision to distribute <Old Boy> in multiplexes and the poor results obtained at the box office during the first week resulted in other multiplexes declining to screen the film.

On the other hand <Old Boy> was well received in arthouse cinemas. However, the nature of arthouse cinemas is such that unlike multiplexes it takes anywhere from 6 months to a year to judge whether a film has achieved satisfactory results in terms of admissions. One is left to wonder what would have happened if more attention had been paid to releasing <Old Boy> in arthouse cinemas rather than in multiplexes; perhaps the outcome would have been different.

Third, the competition within the German film market in 2004 was much more fierce than in previous years. In fact, 84 more films were screened in 2004 than in the previous year, which means that theater owners had a

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<sup>54</sup> Muenster, a small-sized city located in the Northwest of Germany has such an agreement in place. Interview with Jens Schneiderheinze, the owner of an art house cinema named 'Cinema'



wide plethora of films to choose from. More to the point, including <Old Boy>, a grand total of 49 films were released within the German film market in September, which matches the largest number of films released in a single month that year.<sup>55</sup> <Untergang (Downfall)>, a German film depicting the last few days of Hitler's life was also released in September. This film, which enjoyed incredible media exposure, naturally attracted keen interest in Germany and other parts of Europe as well. Therefore, although <Old Boy> won at the 2004 Cannes International Film Festival, it found itself buried under other films, especially <Untergang>. This can be identified as one of the reasons why <Old Boy> was unable to achieve success at the box office.

Fourth, Korean films have yet to strike a chord with German viewers. While the German public tends to lump the films produced in Hong Kong, Japan, China, Korea, and in other Asian countries together in one big Asian film category, kung fu films from Hong Kong – representative examples of which are the films starring Jackie Chan and Bruce Lee –, Japanese animated films and the works of Akira Kurosawa and Takeshi Kitano, as well as Chinese films that portray sceneries from the Chinese mainland in a vivid manner, such as <Hero> and <Crouching Tiger Hidden Dragon>, have been able to achieve some degree of recognition with German audiences.

Korean films, which have only recently begun to enter the German film market, have indeed ever so slowly begun to carve out an image for themselves among German audiences. This nascent interest in Korean films amongst German audiences began with the release of Kim Ki-duk and Park Chan-wook's films. However, in the case of Kim Ki-duk, although his works have been highly praised by artistic film enthusiasts and specialists alike, success at the box office has not been forthcoming. With the exception of <Spring, Summer, Fall, Winter... and Spring>, his films have failed to draw any response from the German public. The same holds true for Park Chan-wook's films. <JSA: Joint Security Area>, which was released in 2002, failed to achieve success at the box office despite the

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<sup>55</sup> 49 films were released in both April and September 2004

rave reviews it earned from the media. The fact that <Old Boy>, which was more extensively marketed than <JSA: Joint Security Area> also failed to meet expectations would seem to imply that despite the growing interest, Korean films have yet to develop a special cachet for the German public.

Fifth, and closely related to the fourth point, there exist differences in terms of the cultural codes which the contents and narratives of this film convey. As such, although <Old Boy> won the Grand Prix at the 2004 Cannes International Film Festival and was well received by the media, the film was unable to achieve success at the box office. This is the reason why the usage of an improper marketing strategy cannot be regarded as the only reason for the film's poor showing. Of course, there were some moviegoers who loved the film and were able to appreciate its artistic code. However, there were also many parts of the film that were difficult for regular moviegoers to understand.

This poor showing can be understood to stem from the fact that although Korean films are high quality works, they have yet to arouse a response from the German public; and can also be seen as being the result of the fact that because of cultural differences ( Kulturelle Unterschiede) German audiences have been unable to develop a sense of empathy for the themes developed in Korean films. This is the reason why those moviegoers who have not seen any Korean films do not intend to go and see them. In other words, Korean films have been unable to move beyond the current state in which recognition is only granted to them by film fans and specialists, by overcoming regular German moviegoers' built-in film-related prejudices and perceptions. The continuous introduction of Korean films into the German film market, with the latter serving as the contact zone, will help to eventually create a bond between the cultural codes displayed in Korean films and that of the German people.

The above-mentioned factors can be identified as some of the reasons why <Old Boy>, despite being a film of outstanding quality, failed to achieve success at the German box office. In this regards, Werner Wirsing, Jürgen Hellwig, and Andreas Thim have all pointed out that it will take some more time before Korean films can solidify their position within the

German and European film markets. They also emphasized the need to distribute Korean films within the German film market in a gradual and well thought out manner.

## **5. Analysis of the Korean Film Industry's Potential within the German Film Market**

2004 was a year that saw the great success achieved by Korean films at international film festivals result in the spotlight of one of the world's most important film markets shining down on them. It was also a year that saw the media and press, both on- and offline, pay a lot of attention to Korean films. All of this has put Korean films in an advantageous position to make inroads into the German film market. However, although Korean films may start out from a choice position, in order to expand audiences and strike a chord with the conservative-minded German public, efforts are needed to enlarge the niche market which they are now active in. To achieve this goal of expanding Korean films' standing within the German film market, consistent promotion strategies will be required.

In the next section, strategies that can be used to successfully solidify the standing of Korean films within the German film market are introduced.

### **5.1. Strategy 1– — Making use of international film festivals**

Since 2002 Korean films have been regularly introduced in some of the film festivals held in Germany. Examples of such festivals include the "Dusseldorf Korean Film Festival", and "Coraction", which is held in Frankfurt and hosted by the German Film Museum. In addition, Korean films have also been introduced through the Asian Film Festival held every year in Munich as well as other film festivals. As these film festivals are still in their infancy, the probability that participation in them will somehow translate into success at the box office remains remote for the time being. Nevertheless, these festivals play an important role in serving as venues in which German audiences can come into contact with Korean films. As such, there is a need to not only further develop these film festivals, but also to use them as a sphere in which Korean films can be introduced.

A good example of this is the annual “Nippon Connection”, a Japanese film festival that has been held in Frankfurt since 2000. This film festival is the largest of its kind in Europe.<sup>56</sup> Nippon Connection, which is usually held for a one-week period in the middle of April, is co-hosted by the Japanese Consulate and Frankfurt University. The organizers of this film festival, in conjunction with those in charge of other film festivals held in Japan as well as film-related organizations, carries out the task of introducing Japanese films. In 2004, the PIA FILM FESTIVAL, Eigabigakkou, a leading film academy in Japan, and the production company Planet Studio +1 all joined forces to introduce Japanese films through this film festival.<sup>57</sup> Various events such as workshops, lectures, exhibitions, parties, and concerts, as well as events designed to introduce the latest Japanese films and digital films, are staged during this festival. As such, the main concept of this festival is not only to introduce the latest Japanese films, but also to be seen as a social event and festival. 15,000 people attended this film festival in 2003, up significantly from the 10,000 who attended the first edition in 2000.<sup>58</sup>

In one portion of the festival entitled Nippon Cinema, the latest Japanese films and digital films are put on display for prospective European and German buyers. Takeshi Kitano's <Zatoichi>, the animated film <Tokyo Godfathers>, short film collections <Jam Films 1&2>, as well as other films such as <Josee, The Tiger and the Fish>, <Aragami>, and <Ayumi> were all introduced into the German film market through this film festival.

In addition, in conjunction with the German Film Museum in Frankfurt, Nippon Connection established the Nippon Retro Program in 2003. In 2004, this program was used to introduce some of the Japanese animated films produced from 1924–1943. Moreover, the Nippon Digital Program is employed to introduce digital films.

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<sup>56</sup> <http://new.heimat.de/nipponconnection/2004/d/info/index.php>

<sup>57</sup> Report on NIPPON CONNECTION published on April 23, 2004.

<sup>58</sup> *ibid*

Once the festival has wrapped up in Frankfurt, these programs are taken on the road as part of a tour of cities across Germany and Europe entitled Nippon Connection on Tour. As part of this tour, Japanese films were screened in Leipzig from April 22 to May 2, 2004 and also introduced during the Asian Film Festival held in Barcelona from April 30 to May 8.

Various other events are held during Nippon Connection. For example, lectures and discussions about Japanese films involving famous specialists, as well as workshops and parties, are held as part of the Nippon Culture program designed to introduce Japanese culture. The Japanese Consulate also organizes events during this festival that involve activities such as the drawing of animation, a basic introduction to Japanese fairytales, and the provision of Japanese cooking lessons. As such, Nippon Culture is used as an opportunity to introduce general Japanese culture such as origami, go, karaoke, brush writing, and the Japanese tea ceremony. What's more, several partners and sponsors such as eDit/Ves– The European Festival for Production and Visual Effects, the Japanese Language Department of Frankfurt University, as well as Frankfurt's Literaturhaus and Künstlerhaus Mousonturm are also involved in the staging of Nippon Connection.<sup>59</sup>

Festivals such as Nippon Connection contribute to the effective promotion of Japanese films by integrating small, scattered festivals into one organized structure and by avoiding the staging of duplicated events. Viewed from a long-term perspective, such festivals could lead to several beneficial outcomes. The consistent hosting of such film festivals can contribute to not only preserving the existing audience, but also attract a new audience as well. As various film genres are introduced through such film festivals, it becomes possible to gradually attract not only Japanese film fans but other audiences as well. Film promotion activities conducted in the form of the steady introduction of a country's films can also contribute to securing a niche within the hard to enter German film market. As mentioned above, German moviegoers tend to have a conservative

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<sup>59</sup> The programs of the 2004 Nippon Connection can down load with pdf files from the following site:

[http://new.heimat.de/nipponconnection/2004/\\_m/pdfs/programmheft04.pdf](http://new.heimat.de/nipponconnection/2004/_m/pdfs/programmheft04.pdf)

outlook when it comes to their film preferences in that they do not make any choices that they are unsure of. The holding of film festivals thus becomes one of the ways that German audiences can become gradually accustomed to and comfortable with foreign films.

Of course, such festivals promoting Japanese culture receive support from Japan proper as well. The operation of such well-organized film festivals can provide an effective means of promoting the films that cannot afford to carry out special events when they are released in theaters. As such, through such film festivals organized in conjunction with European-based government organizations, enterprises, and educational institutions, Japan has been able to effectively promote its culture and film industry.

## **5.2. Strategy 2– Potential for co-productions**

The second strategy that should be pursued is that of expanding the potential for co-productions with Germany. Such co-productions would allow for various film promotion policies to be employed within Germany. The success of Kim Ki-duk's <Spring, Summer, Fall, Winter... and Spring>, which was co-produced by a German company, has in all likelihood opened the door for future co-productions.<sup>60</sup> In the case of <Spring, Summer, Fall, Winter... and Spring>, a film fund was provided by FilmFoerderung Hamburg GmbH, which conditioned its investment in the film on the postproduction process being conducted in Germany. All film promotion laws in Germany clearly stipulate that the provision of film funds is preconditioned on the subcontracting of certain parts of the film production to film production companies located in Germany or the EU. Such measures are aimed at activating local economies that rely heavily on film production. Co-productions and joint investments can help to secure bigger film markets and to decrease the financial burden in terms of production costs. However, due to the potential benefits to local economies which film productions carry with them, some friction is

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<sup>60</sup> The Pandora Film Production, which participated in the co-production of <Spring, Summer, Fall, Winter... and Spring>, has plans to co-produce with the director, Kim Ki-duk in the future.

possible between the countries involved in the production with regards to the selection of the film production location. Therefore, it is necessary to give prior thought to the conditions of the co-production process and to craft fair contracts that suit the needs of all partners.

### **5.3. Strategy 3– Gaining access to the broadcasting market**

The third strategy is to aggressively introduce Korean films in the German broadcasting market. Germany is the European nation country that airs the most movies on TV. The introduction of the cable broadcasting system in the 1980s and of the digital broadcasting system in the 1990s has resulted in an increase in the number of films aired. While every year German broadcasting companies purchase the TV rights to Hollywood films, these companies, which strive to diversify their programming and to emphasize the public good aspect of broadcasting, have also aired other foreign films as well.

German broadcasting companies generally view Korean films as high quality artistic works; which means that the possibility of Korean films securing additional profits through these German broadcasters is quite great. In addition, as profits similar to those earned from a film's release in arthouse cinemas can be obtained from the sale of the TV rights to a German broadcaster, it is necessary to find ways to maintain the good image of Korean films which those in the German broadcasting market currently possess.

### **5.4. Strategy 4– Strengthening the conditions associated with distribution rights**

When Korean films are sold to foreign distributors, the decision on how to distribute the film in the relevant country is made by the foreign distributor that possesses the rights to the film. This means that films can be released straight to the video/DVD market without ever being screened in theaters. Therefore, due consideration should be given to the inclusion of a condition in such agreements that the films in question must be released in theaters. The inclusion of a clause in such agreements that

stated that the Korean Film Council would only agree to provide support for films released in theaters would help solidify the standing of Korean film in the German film market.

## 6. Conclusion

The German film market is comparatively bigger than other such markets in Europe. Nevertheless, based on the fact that Korean films have only recently begun to be distributed here and the belief that the market is a comparatively small one in terms of potential audience, the Korean film industry has to date not paid much attention to the German film market.

A look at overall theatrical sales reveals that the profits earned from the release of films in German theaters have gradually decreased. Nevertheless, the number of films released within the German film market in 2004 was much greater than the previous year. This would seem to indicate that theaters remain the most effective window through which to introduce films to the public. The nature of the distribution agreements for the rights to additional windows (such as video/DVD distribution and sales, and broadcasting rights) and the sale price of these rights, vary according to the results that a film achieves at the box office. As such, the release of a film in theaters continues to be regarded as a vital task. Given that a film can on top of the revenues earned from theater distribution create additional profits from other distribution and sales windows, there is a need to develop a comprehensive approach to the German film market.

Korean films have been introduced within the German film market as artistic films, and have been screened in arthouse cinemas. In the case of <Old Boy>, although the film was packaged as an artistic work, the marketing strategy employed to promote the film was based on an initial release in multiplexes. Although <Old Boy> did not do brisk business at the box office, the employment of such a marketing strategy for Korean films cannot be regarded in a solely negative light. However, the release of a film in multiplexes in the highly competitive German film market without an aggressive marketing strategy that includes the holding of special events seriously limits the possibility of that film attracting an audience.



Therefore, the granting of the distribution rights for a Korean film to one distributor alone is clearly a dangerous undertaking.

The rights to the majority of Korean films that have been purchased within the German film market are the property of 3L Filmverleih, a company that specializes in the distribution of films that possess a strong entertainment value. This means that there exists a possibility that the Korean films which the company has so far purchased may be released in multiplexes. Of course, 3L Filmverleih may now, based on the experience it gained from the marketing of <Old Boy>, exercise more caution when it comes to the release of Asian films, including Korean ones. This situation arises as a result of the fact that 3L Filmverleih owns the right to decide how Korean films are to be distributed in the German film market. Therefore, there is a need to review the conditions associated with the rights to distribute Korean films in theaters when distribution contracts are signed.

Due consideration should also be given to the formation of a policy concerning the German distributors charged with carrying out the marketing activities of Korean films within the German film market. In this regards, the presence of a distribution support policy could help solidify the positioning of Korean films within the German film market. For example, the director and main stars attendance of the film's release can bring about unexpected effects. With this in mind Takeshi Kitano visited Germany whenever his films, which had previously been released on video, were released in theaters; a move that only increased the German media's interest in his films. Although his films were originally not successful at the box office, Takeshi's latest offerings <Dolls> and <Zatoichi> have managed to attract a considerable audience in Germany. In the case of Kim Ki-duk, although his films had originally received good reviews from the German film market, his visit to Germany and interviews with the media only served to further raise interest in his films. It is highly possible that the effect of Park Chan-wook's visit to Germany and conducting of interviews with the local media would have been even greater in terms of the success of his films than in the case of Kim Ki-duk. In this regard, there is a need

to establish a support system which can be used to plan film related events or to assist with the distribution of a film.

In order for Korean films to solidify their position as one of the main conveyers of Korean culture within the German market, well-organized and long-term based cultural support policies should be developed. To do so, there is a need to develop programs possessing a cooperate identity capable of linking Korean films with Korean enterprises, diplomatic missions, universities and research institutes, and members of the press located in Germany.